



## AFC Gamma Provides Sunburn Cannabis with a Total of \$34.0 Million Across Senior Secured Credit Facilities

March 26, 2024 at 8:30 AM EDT

### Represents AFC Gamma's Second Transaction in Florida's Growing Medical Cannabis Market

WEST PALM BEACH, Fla., March 26, 2024 (GLOBE NEWSWIRE) -- AFC Gamma, Inc. (NASDAQ:AFCG) ("AFC Gamma" or the "Company") today announced that it has provided a total of \$34.0 million in debt capital across two senior secured credit facilities to High End Holdings, LLC and Green Sentry Holdings, LLC d/b/a Sunburn Cannabis ("Sunburn"), a private, vertically integrated, single-state Florida operator. Sunburn intends to use the proceeds from the credit facilities to refinance existing debt, provide working capital, and build additional cultivation and processing facilities and new retail dispensaries in its business plan.

"Since entering the Florida market in 2022, Sunburn has continually increased its market share ranking in the top 5 of Florida operators year-to-date based on product sold per dispensary<sup>1</sup>," said Daniel Neville, the Company's Chief Executive Officer. "Brady and the Sunburn team are an example of the Cannabis 3.0 lending opportunities that we are excited to finance. This is a team with prior success in the Florida market that knows how to scale and operate in cannabis and is focused on building a true brand. We believe Sunburn is well positioned to continue to take market share in Florida and benefit from the industry's transition to a mainstream consumer packaged goods marketplace."

"On behalf of the Sunburn team, I am pleased to close these credit facilities with AFC Gamma as we look to expand our operations in Florida and beyond. Having a committed capital provider like AFC Gamma, which is led by a CEO who understands the industry and the inflection point that we are facing in both Florida and America, is extremely valuable. This transaction provides us with the opportunity to shore up our balance sheet, responsibly scale up our operations in Florida (with or without recreational use passing), and remain nimble enough to play offense in enhancing Sunburn as we await potential catalyst moments," stated Brady Cobb, CEO of Sunburn.

AFCG will hold the entire \$34.0 million across the two credit facilities, which together consist of a first-lien term loan secured by all assets of Sunburn. AFC Agent LLC served as Agent for this transaction.

#### *About AFC Gamma, Inc.*

AFC Gamma, Inc. (NASDAQ:AFCG) is a publicly-traded, institutional lender that originates, structures and underwrites loans secured by commercial real estate and other types of financing solutions. AFC Gamma targets direct lending and bridge loan opportunities typically ranging from \$5 million to \$100 million across multiple real estate sectors, with a specialization in lending to state-law compliant cannabis operators. It is based in West Palm Beach, Florida.

#### *About Sunburn Cannabis*

Sunburn Cannabis is the brand created by Florida-based Sunburn Holdings, LLC, which was created to build the authentic ultra-premium southern cannabis brand that celebrates America's rebellious, rock n roll, free spirit as well as cannabis culture. The Sunburn Cannabis brand is based on the true story of CEO and Founder, Brady Cobb, and his late father, Clyde Walton "Bill" Cobb, who was one of the largest cannabis smugglers in the 1970s and 1980s until the DEA task force dubbed "Operation Sunburn" put him in jail. Sunburn incorporates the culture and traditions passed down from its founders, employing a team that is passionate about the plant and cultivating only the highest quality product. For more information, visit [www.sunburncannabis.com](http://www.sunburncannabis.com).

#### *Forward-Looking Statements*

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the company's current views and projections with respect to, among other things, financial performance and market developments. All statements other than historical facts, are forward-looking statements. Words such as "believes," "expects," "will," "intends," "plans," "guidance," "estimates," "projects," "anticipates," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions and are not guarantees of future performance, conditions or results. Certain factors, risks and uncertainties discussed under the caption "Risk Factors" and elsewhere in AFC Gamma's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings, could cause actual results and performance to differ materially from those projected in these forward-looking statements.

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<sup>1</sup> Based on Office of Medical Marijuana Use (OMMU) weekly update reports year-to-date through March 22, 2024.